



Connecticut School Transportation Association

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Statement by
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Before the
Education Committee
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Raised HB 6667

An Act Concerning Voluntary Regionalization of Certain School District Services

Good Morning, Sen. Gaffey, Representative Fleischmann and Honorable Members of the Education Committee:

My name is William D. Moore. I am the Executive Director of the Connecticut School Transportation Association – COSTA. COSTA is a trade association comprised of owners and operators of school buses, student transportation vehicles and other associate members. Our membership of more than 125 companies and Boards of Education includes nearly all of the providers of student transportation in Connecticut. Together, they operate more than 10,000 school buses and Student Transportation Vehicles that transport nearly 500,000 children to and from school safely every day.

I am appearing before you today regarding *Raised HB 666, An Act Concerning Voluntary Regionalization of Certain School District Services*.

We are very concerned about the propriety of permitting boards of education and regional educational service centers (RESCs), to provide regional transportation services on a scope anticipated by the legislation.

Under current practices, some boards of education provide direct transportation services for their districts, and RESCs provide limited transportation services, primarily for special needs transportation. We question how boards of education would be able to collaborate and provide direct *regional* transportation services without making significant capital investments, thereby negating any potential savings anticipated by the bill.

This legislation also allows RESCs to compete for region-wide transportation services. RESCs will have an unfair competitive advantage over private carriers. Like boards of education, RESCs receive

almost all of their funding from public sources. By the very nature that they are government-funded, both boards of education and RESCs would have an immediate advantage over private sector companies.

RESCs also do not have the ability to provide the large-scale transportation services anticipated by the legislation. They do not have the equipment, personnel, or facilities to provide such services. As a result, it is anticipated that the RESCs would have to contract out for the services, or make significant capital investments and hire significantly more personnel than they now employ at a greater cost to the taxpayers. Under such a scenario, only a few private carriers would have the capacity to bid on such a request for services, presenting the possibility of creating a monopoly, stifling competition and eliminating any anticipated savings.

Presently, there are more than 90 private carriers in Connecticut providing student transportation services and fourteen boards of education providing direct student transportation services. Only three or four carriers have the ability to bid on large region-wide contracts. As evidence of this, in February, LEARN, a RESC from Southeastern Connecticut put a bid out for regional transportation services. Only one carrier bid on the proposal, and LEARN withdrew the bid. Simply stated, the RESCs are not equipped to handle such a service.

While we are generally supportive of collaborative purchase agreements, we do not believe that regional transportation services, as anticipated in this legislation will provide savings to the taxpayers. We are concerned that such agreements would stifle competition and would raise significant anti-trust issues.

Thank you for the opportunity to appear before you today. I will be happy to respond to any questions that you might have.